

KNOX COUNTY
CONVENTION & VISITORS BUREAU, INC.

Financial Statements
For the years ended December 31, 2001 and 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

Board of Directors
Knox County Convention and Visitors Bureau
7 East Ohio St.
Mount Vernon, Ohio 43050

We have reviewed the Independent Auditor's Report of the Knox County Convention and Visitors Bureau, Knox County, prepared by James E. Lavelle, Jr., for the audit period January 1, 2000 to December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Knox County Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 17, 2002

This Page is Intentionally Left Blank.

James E. Lavelle, Jr.
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Knox County Convention & Visitors Bureau, Inc.
Mount Vernon, Ohio

I have audited the accompanying statement of cash receipts, disbursements, and cash balances of the Knox County Convention & Visitors Bureau, Inc. for the years December 31, 2001 and 2000. This financial statement is the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in NOTE 1, this financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances of the Knox County Convention & Visitors Bureau, Inc. as of December 31, 2001 and 2000 and the cash receipts and disbursements for the years then ended on the basis of accounting described in NOTE 1.

In accordance with Government Auditing Standards, I have also issued my report dated June 10, 2002 on my consideration of the Organization's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants

This report is intended for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

J E Lavelle, Jr.

June 10, 2002

Knox County Convention & Visitors Bureau, Inc.
Statement of Cash Receipts, Disbursements,
and Cash Balances
For the Years Ended December 31, 2001 and 2000

	2001	2000
Receipts		
Lodging Tax	89,678	93,641
Events	824	16,810
Other	<u>4,833</u>	<u>3,689</u>
	<u>95,335</u>	<u>114,140</u>
Disbursements		
Personnel	55,778	50,154
Brochures	1,678	1,955
Dues & Subscriptions	1,569	1,439
Education	711	1,240
Facility Rent	6,000	5,400
Freight	342	50
Insurance	1,412	405
Marketing Development	2,544	1,888
Office Expenses	1,914	4,231
Professional Fees	750	1,889
Program Expenses	3,573	15,515
Promotional Advertising	5,280	5,697
Promotional Events	5,306	3,683
Public Relations	371	496
Travel	1,110	2,264
Telephone	3,648	4,077
Products	1,022	1,031
Equipment	2,847	4,108
Other	<u>654</u>	<u>555</u>
Total Disbursements	<u>96,509</u>	<u>106,077</u>
Receipts over Disbursements	(1,174)	8,063
Cash Balance Beginning	<u>28,513</u>	<u>20,450</u>
Cash Balance Ending	<u><u>27,339</u></u>	<u><u>28,513</u></u>

See Accompanying Notes

Knox County Convention & Visitors Bureau, Inc.
Notes to the Financial Statements
December 31, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Knox County Convention & Visitors Bureau is a non corporation formed under the laws of the state of Ohio and is exempt from federal income taxes under a Section 501(c)6 of the Internal Revenue Code.

The Organization was formed to promote the Knox County area and its facilities and attractions.

The Organization's primary support comes from taxes levied by the Knox County Commissioners on users of Knox County Hotels and Lodging.

Accounting Basis

The accompanying financial statements have been prepared on a cash basis of accounting. Receipts are recorded when received and disbursements are recorded when paid.

Donated Services

The Organization receives a significant amount of donated services from volunteers. No amounts have been reflected in the financial statements for these services.

NOTE 2 - CONCENTRATION OF RISK

The Organization receives a significant amount of support in the form of the lodging tax. A significant reduction in the level of this support, should it occur, may have an effect on the Organization's activities.

James E. Lavelle, Jr.
Certified Public Accountant

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Knox County Convention & Visitors Bureau, Inc.
Mount Vernon, Ohio

I have audited the financial statement of the Knox County Convention & Visitors Bureau, Inc. as of and for the years ended December 31, 2001 and 2000, and have issued my report thereon dated June 10, 2002. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Organization's financial statement is free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Organization's internal control over financial reporting in order to determine my auditing procedure for the purpose of expressing my opinion on the financial statement and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

J E Lavelle, Jr.

June 10, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

KNOX COUNTY CONVENTION AND VISITORS BUREAU, INC.

KNOX COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2002**